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**Goods Donated by Private Firms****No U.S. Cash in Ransom**By **DEAN KRASLOW**  
Our Boston Bureau

WASHINGTON — Not a

nickel in government cash or food is directly involved in the ransom deal for Cuban prisoners, U.S. officials say.

The entire ransom of merchandise — about \$53,000,000 at American wholesale prices — was donated by some 200 American companies. About 50 additional firms contributed transportation and other services.

And Cuban Premier Fidel Castro had to retreat from his original demands before the deal could be completed. He agreed to accept major changes on some items in his ransom list.

Castro, for example, originally demanded \$14,500,000 worth of baby foods. He will receive only about \$1,500,000 worth.

U.S. officials say many baby food companies were interested in contributing if they could get a more favorable interpretation of the tax laws.

But when the Internal Revenue Service refused to make it possible for the companies to claim a full charitable deduction on foods they were willing to donate, the companies felt they could not go along.

The tax problem, officials say, was more acute for the baby food firms than for drug

**What Castro Got**

In the first shipment, Castro received:

Baby Foods .....	\$1,500,000
Pharmaceuticals .....	7,000,000
Milk .....	2,000,000
Medical Equipment .....	1,500,000

This amounts to approximately 20 percent of the Cuban leader's demands.

manufacturers because of the smaller spread between cost and wholesale price.

The tax laws permit corporations to deduct 52 per cent of five per cent of their net profit as charitable contributions. The formula in the law is based on the lowest usual wholesale price of donated merchandise.

In addition to the \$14,500,000 in baby foods, Castro's original demands in his 250-page list of specific items included \$22,200,000 worth of pharmaceuticals, \$6,800,000 in medical equipment and supplies, and \$9,300,000 in milk and milk products (powdered

milk, evaporated milk, etc.). The total was \$52,800,000.

The major substitution offered by the Cuban families committee was \$10,000,000 worth of non-prescription drugs (aspirin, cold tablets, etc.). Castro has agreed to take some of it and negotiations are still in progress over other items.

Dr. Leonard A. Scheele, former surgeon general of the U.S. who is assisting the families committee, is in Havana negotiating with the Cubans on these items.

The other major substituted item which Castro has agreed to take is about \$3,000,000

worth of canned and packaged foods, mostly soups, and including flour.

The 20 per cent down payment which has been delivered to Castro includes \$7,000,000 in pharmaceuticals, \$1,500,000 in baby foods, \$2,000,000 in milk, and \$1,500,000 in medical equipment and supplies.

The final breakdown, if the proffered substitutions are accepted, will look something like this:

About \$24,000,000 in pharmaceuticals; about \$12,000,000 in milk and milk products; \$3,000,000 in canned and packaged foods; \$10,000,000 in non-prescription drugs; about \$2,000,000 in medical equipment and supplies, and the \$1,500,000 in baby foods.